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THE TAXATION AND BUDGET REFORM COMMISSION: FLORIDA'S BEST HOPE FOR THE FUTURE

DONNA BLANTON

WHEN voters approved Amendment Six¹ to the Florida Constitution² in November of 1988, they created a major opportunity to revamp Florida's outdated³ tax structure. The amendment authorized the creation of a twenty-five member Taxation and Budget Reform Commission (the Commission) that will examine the state's revenue needs, budgetary practices, tax structure, and other governmental functions relating to taxing and spending.⁴ The strength of the Commission is its authority to place constitutional amendments relating to taxation and the state budgetary process directly on the 1992 general election ballot without first submitting its proposals to the Legislature.⁵ When members of the Commission were appointed in early 1990, speculation was widespread that the Commission would propose solving Florida's budget woes by proposing a personal in-

1. The amendment was titled "Taxation and Budget Reform Commission." The text stated:

Transfers authority to review matters relating to state and local taxation and the budgetary process from the Constitutional Revision Commission to a newly created Taxation and Budget Reform Commission to be established in 1990 and every 10 years thereafter. The new commission will issue a report and it may propose statutory changes to the Legislature, and submit proposed constitutional changes to voters.

FLORIDA TAXWATCH INC., RESEARCH REPORT; TAXATION AND BUDGET REFORM COMMISSION CAN HELP FLORIDIANS GET THE FUTURE THEY PAY FOR 2 (1988). The vote at the November 8, 1988, general election was 2,111,320 in favor of the amendment—57%—compared with 1,538,470 against the amendment—43%. FLORIDA SECRETARY OF STATE, REPORT OF NOVEMBER 8, 1988 GENERAL ELECTION.

2. FLA. CONST. art. XI, § 6.

3. See *The Miami Herald*, Apr. 25, 1990, at 16A, col. 1 (editorial suggesting that the Commission might bring the state's tax structure into line with twentieth century norms before the century is over).

4. FLA. CONST. art. XI, § 6. The Commission includes four nonvoting members who also are members of the Legislature.

5. FLA. CONST. art. XI, § 6(e). The recommendations for proposed constitutional revisions must be submitted to the Secretary of State on May 7, 1992 (180 days before the general election). The commission's work plan calls for it to make recommendations at three times—January of 1991 for statutory changes recommended for consideration by the 1991 Legislature; November of 1991 for statutory changes recommended for consideration by the 1992 Legislature; and March of 1992 for submission of a constitutional proposal to the Secretary of State. Memorandum from Robert Bradley, Exec. Dir. of the Taxation and Budget Reform Commission, to Commission Members 2 (June 5, 1990) (on file at Fla. Dep't. of State, Bureau of Archives & Records Management, Fla. State Archives, Tallahassee, Fla.).

come tax and by either eliminating or revamping the property tax homestead exemption.⁶ The purpose of this Comment is to discuss the role of the Commission, explore the major problems with Florida's tax structure, discuss Floridians' attitudes toward taxes, and offer suggestions to help the Commission maximize the opportunity to make lasting changes in the state's tax structure.

I. NOT JUST ANOTHER COMMISSION

The proposed constitutional amendment that created the Commission was placed on the ballot by the Legislature.⁷ Lawmakers had recently failed in a major effort to broaden Florida's tax base by expanding the narrow-based sales tax on goods to include a variety of services,⁸ and most legislators were unwilling to tackle any type of tax reform any time soon.⁹ The services tax, which proved to be enormously unpopular both with a variety of special interest groups and with the public, was passed with much fanfare in April of 1987 as the best way to raise money for Florida's future.¹⁰ The tax was repealed by weary lawmakers in December of that year and replaced with an increase in the sales tax on goods from five percent to six percent.¹¹ Republican Governor Bob Martinez, who initially championed the services tax, was so relieved at its repeal that he called scrapping the tax at the December special session "a heck of a Christmas present."¹² The sales tax increase that replaced the services tax was described by then-House Speaker Jon Mills¹³ as an "interim survival kit"¹⁴ that allowed lawmakers to balance the state's budget that year but would not ultimately provide the state with enough revenue to meet its needs.

The realization that Florida needed major tax reform may have prompted many lawmakers to place the proposed constitutional amendment on the ballot.¹⁵ The wording of the proposed amendment

6. The Miami Herald, *supra* note 3; Fort Lauderdale Sun-Sentinel, Apr. 23, 1990, at 10A; Palm Beach Post, Apr. 23, 1990, at 1F.

7. FLA. H.R. JOUR. 934 (Reg. Sess. 1988); FLA. S. JOUR. 1231 (Reg. Sess. 1988).

8. Ch. 87-6, 1987 Fla. Laws 9 (amended by Ch. 87-101, 1987 Fla. Laws 842). For an excellent review of the legislative history surrounding the services tax, see Weber, *Florida's Fleet- ing Sales Tax on Services*, 15 FLA. ST. U.L. REV. 613 (1987).

9. See Palm Beach Post, *supra* note 6; see also St. Petersburg Times, Apr. 17, 1990, at 4B, col. 2.

10. St. Petersburg Times, Dec. 13, 1987, at 1B, col. 1.

11. Weber, *supra* note 8, at 665.

12. The Orlando Sentinel, Jan. 31, 1988, at B1, col. 1.

13. Dem., Gainesville.

14. The Orlando Sentinel, Jan. 31, 1988, at B5, col. 1.

15. See generally STATE COMPREHENSIVE PLAN COMMITTEE, KEYS TO FLORIDA'S FUTURE: WINNING IN A COMPETITIVE WORLD (1987) [hereinafter ZWICK COMMISSION REPORT]. The report

was not without some partisan bickering. Lawmakers disagreed about how many members of the Commission the governor would appoint, compared with the number appointed by the Democratic leaders of the Legislature.¹⁶

Ultimately, the governor was authorized to appoint eleven members, and the speaker of the House and the president of the Senate were entitled to appoint seven each.¹⁷ The amendment requires that any constitutional revisions proposed by the Commission be supported by two-thirds of the full Commission and by a majority of each of the three groups of appointees.¹⁸ Recommendations to the Legislature for statutory changes do not require an extraordinary vote.¹⁹

The Commission is unusual in that it is a non-elected panel authorized to submit proposed constitutional changes directly to the voters.²⁰ This concept was borrowed from the Florida Constitutional Revision Commission (CRC), which placed constitutional changes regarding a variety of matters directly on the 1978 ballot.²¹ The section of the

is generally referred to as the Zwick Commission Report for the committee's chairman, Charles J. Zwick, former chair of Southeast Banking Corporation. The committee of legislators and prominent business and civic leaders was established in 1985 to determine how to meet the growth management goals outlined by the 1985 Legislature. See Ch. 85-57, § 3, 1985 Fla. Laws 295, 322; Weber, *supra* note 8, at 615 n.12. The report noted that Florida's problems included jammed highways, polluted natural resources, struggling schools, poorly-paid teachers, teeming jails, neglected children, needy senior citizens, inadequate health care, a shortage of affordable housing, and a declining quality of life. Financing Florida's orderly growth would take an additional \$52.9 billion over the next ten years, the report stated. The Zwick Commission Report was widely circulated among lawmakers before the services tax was adopted, and was widely publicized by the state's media.

16. See FLA. H.R. JOUR. 932 (Reg. Sess. 1988). Then-House Republican Leader Dale Patchett of Vero Beach, along with Rep. Art Simon, Dem., Perrine, successfully pushed through an amendment authorizing the governor to appoint eleven members of the Commission, while the House speaker and the Senate president would appoint just seven each. Additionally, the amendment included a requirement that a majority of each of the three groups of appointees would have to concur in any constitutional amendments proposed by the Commission. Patchett was unsuccessful, however, in passing an amendment that would have authorized the governor to designate the chair of the Commission. *Id.*

17. FLA. CONST. art. XI, § 6(a)(1)(2).

18. FLA. CONST. art. XI, § 6(c). This provision was the result of an amendment on the House floor. See *supra* note 16.

19. FLA. CONST. art. XI, § 6. The section is silent on the Committee's decisional procedure regarding statutory proposals.

20. Tallahassee Democrat, Apr. 17, 1990, at 1B (See especially the comments of Commissioner Steven Uhlfelder noting that the tax Commission is only the second non-elected panel in the nation with the power to put constitutional amendments directly on the ballot.).

21. FLA. CONST. art. XI, § 2. The first such commission was convened in 1977 to make recommendations for consideration at the 1978 general election; the next constitutional revision commission will not make recommendations for consideration until the 1998 general election. For a discussion of the 1977-78 commission's work, see Uhlfelder, *The Machinery of Revision*, 6 FLA. ST. U.L. REV. 575 (1978).

Florida Constitution authorizing the CRC was amended in 1988 to remove matters directly relating to taxation or the state budgetary process from the CRC's purview and to transfer them to the new Taxation and Budget Reform Commission.²² The new Commission differs in several ways from the Constitutional Revision Commission. Differences include the selection of a chair (appointed by the governor on the Constitutional Revision Commission, elected by members on the Taxation and Budget Reform Commission), the number of members (thirty-seven on the Constitutional Revision Commission, twenty-five on the Taxation and Budget Reform Commission), the treatment of sitting legislators (permitted on the Constitutional Revision Commission, prohibited as voting members on the Taxation and Budget Reform Commission), length of deliberation (the Constitutional Revision Commission has a maximum of thirteen months, while the Taxation and Budget Reform Commission has up to twenty-seven months before filing proposed revisions to the constitution), and the procedure for recommending statutory changes to the Legislature (the Constitutional Revision Commission is not directed to suggest statutory changes, while the Taxation and Budget Reform Commission is directed to recommend such changes).²³

A. The Commission's Membership: The A-Team or The Same Old Faces?

When the membership²⁴ of the Taxation and Budget Reform Commission was announced earlier this year, reaction from citizens and

22. FLA. CONST. art. XI, § 2(c). The constitutional amendment creating the Taxation and Budget Reform Commission also amended art. II, § 5(a) and art. XI, § 5(a). FLA. H.R. JOUR. 933 (Reg. Sess. 1988).

23. Compare FLA. CONST. art. XI, § 6 with FLA. CONST. art. XI, § 2.

24. The Commission members, with their ages and occupations at the time of the Commission's first meeting in April, 1990, are as follows.

Voting members appointed by former Gov. Bob Martinez: Barney Barnett, 47, Lakeland, executive vice president of Publix Supermarkets; Martha Barnett, 42, Tallahassee, partner in the Holland & Knight law firm; Jacob Belin, 75, Port St. Joe, chairman and chief executive of St. Joe Paper Co.; Bill Bryant, Jr., 42, Tallahassee, partner with the Foley & Lardner law firm; Miles Collier, 42, Naples, managing partner of Collier Enterprises, a financial management and land development company; Andrew Duda, 49, Oviedo, executive vice president of A. Duda and Sons, an agricultural and land development company; David Dunbar, 37, Dunedin, owner of Dunbar Corp., a financial consulting company; Charles LeCroy, 35, Winter Park, president of Southeastern Municipal Bonds; Peter Mettler, 41, Palm Beach, a partner in the law firm Mettler & Gilson; Tom Slade, 53, Orange Park, president of Dozier and Gay Paint Co.; Arthur Teele Jr., Miami, a partner in the law firm Adorno & Zeder.

Voting members appointed by then-Senate President Bob Crawford: Hugh Anderson, 54, Fort Lauderdale, president of Anderson Realty; Elliott Barnett, 54, Fort Lauderdale, senior partner in the Ruden, Barnett, McClosky, Smith, Schuster & Russell law firm; James Bax, 54, Longboat

newspapers was mixed. The Miami Herald praised the members as "movers and shakers" beneath a headline stating: "Budget: The A-Team."²⁵ The Palm Beach Post, however, found the choices of the governor, the House speaker, and the Senate president "somewhat disappointing."²⁶ The Post was troubled that ten of the twenty-five commissioners are members of law firms, eight are lobbyists, and that most of the rest represent large corporations.²⁷ "Many are the same old faces we see on every other study commission,"²⁸ the editorial stated. Others expressed concern that the Commission was not more diverse.²⁹ Only one of the twenty-five voting members is black,³⁰ only three voting members are women.³¹ "Unfortunately, the . . . panel lacks the diversity that it needs to give it complete credibility. . . . Ordinary people—such as blue collar workers—are completely absent," the Fort Lauderdale Sun-Sentinel complained.³²

B. Hopes and Concerns for the Commission's Success

Addressing the Commission at its first meeting on April 16, 1990, Raymond Ehrlich, then chief justice of the Florida Supreme Court, offered the members a word of advice: "You are beholden to no one."

Key, president of ACSI Inc., a professional testing company; R. Mark Bostic, 35, Winter Haven, president of Comcar Industries; Homer Hooks, 69, Lakeland, chairman of Hooks Group, Inc., a communications consulting firm; Tom L. Rankin, 49, Tampa, president of Lykes Pasco Inc.; Pat Tornillo, Miami, 63, president of Florida Education Association United.

Voting members appointed by then-House Speaker Tom Gustafson: Philip Blank, 40, Tallahassee, a lawyer in private practice; Linda Chapin, 47, Orlando, Orange County commissioner; Allan J. Katz, 42, Tallahassee, managing partner of the law firm Katz, Kutter, Haigler, Alderman, Davis, Marks & Rutledge; Lee Moffitt, 48, Tampa, a former House speaker and partner in the Moffitt, Hart & Herron law firm; Marta Prado, Plantation, vice president of marketing and business development for Emergency Medical Services Associates, Inc.; Parker Davidson Thomson, 57, Miami, senior partner of the Thomson, Muaro, Bohrer & Razook law firm; Steven Uhlfelder, 43, Tallahassee, a partner in the Steel, Hector & Davis law firm.

Non-voting members appointed by then-Senate President Bob Crawford: Sen. Bob Johnson, Repub., Sarasota; Sen. Carrie Meek, Dem., Miami.

Non-voting members appointed by then-House Speaker Tom Gustafson: Rep. Debby Sander-son, Repub., Fort Lauderdale; Rep. Randy Mackey, Dem., Lake City.

ASSOCIATED INDUSTRIES OF FLORIDA SERVICE CORPORATION, GUIDE TO THE TAXATION & BUDGET REFORM COMMISSION (1990).

25. The Miami Herald, *supra* note 3.

26. Palm Beach Post, *supra* note 6.

27. *Id.*

28. *Id.*

29. St. Petersburg Times, *supra* note 9 (comments of Talbot "Sandy" D'Alemberte, chair of the 1978 Constitutional Revision Commission, suggesting that a broader based panel would have been preferable).

30. Miami lawyer Art Teele.

31. Martha Barnett, Linda Chapin, and Marta Prado.

32. Fort Lauderdale Sun-Sentinel, *supra* note 6.

Make up your mind and call the shots as you see it without fear of the consequences.”³³ Then-Senate President Bob Crawford³⁴ asked the Commission to recommend fundamental changes in the tax structure that would allow the state to meet its revenue needs without constant tinkering by the Legislature.³⁵ Commissioner Steven Uhlfelder urged his colleagues to “forget where you came from, who appointed you; look where you’re headed.”³⁶

While editorials around the state expressed hope that the Commission, despite its less-than-diverse membership, could succeed,³⁷ others worried about the constitutionally mandated structure that requires a majority of all appointees of the governor, the House speaker, and the Senate president to concur in recommending any constitutional revisions.³⁸ Talbot “Sandy” D’Alemberte, chairman of the 1978 Constitutional Revision Commission, said the Commission “almost looks like a design for a stalemate.”³⁹ Similarly, Chesterfield Smith, a prominent Florida lawyer who headed the mid-1960’s Constitutional Revision Commission, expressed concern about the requirement for proposing constitutional changes, describing himself as “a little pessimistic.”⁴⁰ This approval requirement means that as few as four members of the Commission could keep a proposal off the ballot,⁴¹ thereby creating the potential for a difficult obstacle to any proposed constitutional amendment. Still, the Commission is considered by many to be the best opportunity for significant revamping of Florida’s tax structure.⁴²

33. Tallahassee Democrat, *supra* note 20.

34. Dem., Winter Haven.

35. Tallahassee Democrat, *supra* note 20.

36. *Id.* Uhlfelder was executive director of the 1978 Constitutional Revision Commission.

37. See generally The Miami Herald, *supra* note 3; Fort Lauderdale Sun-Sentinel, *supra* note 6.

38. FLA. CONST. art. XI, § 6(c).

39. St. Petersburg Times, *supra* note 9.

40. *Id.*

41. Because a majority of each group of appointees must concur in proposing amendments, four of either the House speaker’s or the Senate president’s appointees could kill a proposal. FLA. CONST. art. XI, § 6(c).

42. See Memorandum from staff directors of the House and Senate Finance and Taxation Committees and the executive director of the Florida Advisory Council on Intergovernmental Relations to Tom Gustafson, then-speaker of the House, and Bob Crawford, then-president of the Senate (March 1, 1989) (opening with the statement that nothing will have more impact on the way Florida’s government will raise and spend money in the next ten years than the new Commission) (available at Fla. Dep’t of State, Bureau of Archives & Records Management, Fla. State Archives, Tallahassee, Fla.); Dominic Calabro, president of Florida TaxWatch, a state budget watchdog group, said the Commission has the chance to “make investments that will serve the public for years to come.” Calabro said his group hopes the Commission will recommend not only more revenue to meet the state’s needs, but a more responsive revenue stream.

C. Other Florida Tax Commissions

The Commission, while unusual in the manner in which it will recommend constitutional changes directly to voters, is hardly the first commission to conduct a major study of Florida's tax structure. Between 1911 and 1988, sixteen commissions studied various aspects of Florida's tax structure with the goal of making them more equitable and stable.⁴³ Most of these commissions were not catalysts for tax reform.⁴⁴ Indeed, many of their recommendations were ignored or rejected. Commissions in both 1930 and 1933 recommended a personal income tax in Florida, and the 1987 Zwick Commission Report discussed a personal income tax as an appropriate way to broaden the tax base.⁴⁵ A personal income tax, however, has never been seriously entertained as a politically realistic option for Florida.⁴⁶ Whether a personal income tax will be embraced by members of the Taxation and Budget Reform Commission, who have the authority to ask voters to repeal the constitutional prohibition against it,⁴⁷ remains to be seen. Even if a personal income tax is not recommended, as one of just a handful of ways to significantly broaden Florida's tax base, such a tax should warrant serious discussion from the Commission.

II. FLORIDA'S TAX BASE: RESTRICTIVE, VOLATILE, AND INELASTIC

Florida is a low tax, high growth state.⁴⁸ Despite major tax increases in the 1980's, Floridians' tax burden is still below the United States average and the average of the Southeastern states.⁴⁹ Floridians spent 6.12% of their personal income on state taxes in 1987-88, compared with a national average of seven percent.⁵⁰ Residents of only eight

Additionally, the Commission needs to require that additional revenue be spent for projects the public believes are worthwhile and to require that elected officials be accountable for their expenditures. Interview with Dominic Calabro, President of Florida Taxwatch (July 5, 1990).

43. STAFF OF THE SEN. COMM. ON FIN., TAX. & CLAIMS HISTORY OF FLORIDA TAX STUDY COMMISSIONS 1911-1988, at 3 (October 28, 1988) (available at Fla. Dep't of State, Bureau of Archives & Records Management, Fla. State Archives, Tallahassee, Fla.).

44. *Id.* at 27.

45. *Id.* at 25.

46. *Id.*

47. FLA. CONST. art. VII, § 5.

48. See generally STAFFS OF FLA. H.R. COMM. ON APPROP. AND COMM. ON FIN. & TAX., FLORIDA'S TAX STRUCTURE (February 1990) [hereinafter TAX STRUCTURE]; STAFF OF FLA. H.R. COMM. ON APPROP., FISCAL FACTS (1990) [hereinafter FISCAL FACTS]; FLORIDA TAXWATCH INC., HOW DOES FLORIDA COMPARE? (1989) (a study of state taxes) [hereinafter HOW DOES FLORIDA COMPARE?]. For an overview of Florida's tax base and its problems coping with growth and economic swings see Zingale & Davies, *Why Florida's Tax Revenues Go Boom or Bust, and Why We Can't Afford It Anymore*, 14 FLA. ST. U.L. REV. 433 (1986).

49. TAX STRUCTURE, *supra* note 48, at 1.

50. *Id.* at 2.

states spent a smaller percentage of their income on taxes.⁵¹ Despite two major increases in the sales tax during the 1980's, Florida's tax burden declined from 6.7% of personal income in 1978 to 6.1% in 1988.⁵² The sales tax was increased from 4% to 5% in 1982, and from 5% to 6% in 1988.⁵³

Presented in terms of per capita spending,⁵⁴ the average Floridians' per capita spending on taxes in 1987-88 was \$925.94, while the national average was \$1,076.94.⁵⁵ Florida ranked thirty-third among the states in per capita spending on taxes in 1987-88.⁵⁶ By comparison, Floridians' personal income ranked 16th among the states in 1988, with a per capita average of \$16,603.⁵⁷

In mid-1990, the state's population was projected to be slightly more than thirteen million, a figure expected to swell to almost sixteen million by the year 2000.⁵⁸ A particularly significant aspect of the population trend is that the fastest growing age groups are those that demand the most state services: children in the five to nineteen year age group and the advanced elderly, ages seventy and beyond.⁵⁹ The younger group strains schools⁶⁰ and other social services, while the older group strains services for the aging.⁶¹

51. *Id.* The eight states with lower percentages are Missouri (5.88%), Nebraska (5.88%), Illinois (5.82%), Texas (5.77%), Oregon (5.52%), South Dakota (5.34%), Colorado (5.31%), and New Hampshire (3.15%).

52. *Id.* at 3.

53. The Orlando Sentinel, *supra* note 12. The latter increase was effective on February 1, 1988. It replaced the five percent sales tax on services, which was imposed the previous July and repealed on January 1, 1988.

54. To observe the contrast by which essentially the same information can be presented in different ways, compare TAX STRUCTURE, *supra* note 48, with HOW DOES FLORIDA COMPARE?, *supra* note 48. (TAX STRUCTURE emphasizes Florida's low tax burden, while HOW DOES FLORIDA COMPARE? emphasizes growth in state taxes following the two major sales tax increases.)

55. TAX STRUCTURE, *supra* note 48, at 4.

56. *Id.* The ranking dropped from 33rd in 1988 to 36th in 1989. HOW DOES FLORIDA COMPARE?, *supra* note 48.

57. TAX STRUCTURE, *supra* note 48, at 4. The national average for per capita personal income was \$16,489.

58. FISCAL FACTS, *supra* note 48, at 1.

59. *Id.*

60. More than 110,500 new school children were projected to pour into Florida schools in the 1990-91 school year, an increase of almost six percent over the previous year. More than 78,700 children were added to Florida classrooms in 1989-90, and more than 71,200 additional pupils were enrolled in 1988-89. These children are part of the "baby boom echo," children of baby boomers born between 1946 and 1964. Between 1980 and 1990, the number of children in the zero to nine age group increased by thirty-two percent. *Id.* at 1-2.

61. Medicaid, a federal-state entitlement program that provides for the health care needs of indigent individuals, also provides long term care in nursing homes. Medicaid caseloads have doubled during the last decade, in part because Floridians have become older: in 1970, people aged 75 and over represented five percent of the population; people in that age group now represent almost 7.7 percent. The primary users of Medicaid are children ages zero to nine and elderly people age 65 and above. *Id.* at 2.

While Florida revenues generally increase about \$600 million a year because of population increases, visitor increases, and business growth,⁶² this additional money is more than offset by the demands created by growth.⁶³ Consider these typical spending pressures outlined by one consultant⁶⁴ for 1990-91: \$296 million to pay for the additional public school children, \$75 million to accommodate the 9,000 inmates who will enter the prison system, \$119 million for new Medicaid and Aid to Families With Dependent Children clients, \$38 million for additional community college students, \$185 million for "annualized" costs (this year's share of commitments made in previous years), \$186 million for teacher and community college instructor pay raises, and \$132 million for state employee pay raises.⁶⁵ Those examples alone leave the state significantly underfunded. Additional spending pressures, some of which cost tens of millions of dollars, include community care programs for the elderly, social service programs for children, and environmental programs.⁶⁶ "I have not seen growth pay for itself," Dr. Jim Zingale⁶⁷ told the Taxation and Budget Reform Commission in June of 1990.⁶⁸

A. *The Three-Legged Stool*

Tax structures primarily depend on just three bases: income, wealth, and sales.⁶⁹ All fifty states derive most of their revenues from

62. ROBERTSON, SPENDING AND TAXING DECISION-MAKING PRESSURES ON STATE GOVERNMENT IN FLORIDA (1990) (a worksheet prepared for presentation to the Taxation and Budget Reform Commission) (available at Fla. Dep't of State, Bureau of Archives & Records Management, Fla. State Archives, Tallahassee, Fla.). Robertson, now a private financial consultant in Tallahassee, served as director of planning and budgeting for both Democratic Gov. Bob Graham and Republican Gov. Bob Martinez.

63. *Id.*

64. *Id.*

65. *Id.*

66. *Id.*

67. At the time of his remarks, Zingale was staff director of the House Committee on Appropriations. He is currently the assistant executive director of the Florida Department of Revenue.

68. June 26, 1990, presentation to the commission in Tallahassee, Fla. [hereinafter Presentation]. For a more detailed account of Zingale's perspective about the inability of growth revenues to keep pace with the state's needs, see Zingale & Davies, *supra* note 48. Keeping up with the demands of growth currently means setting priorities and determining how much of the need for public services can be met with the available revenue. As part of his presentation, Zingale noted that building all of the prisons necessary to house Florida's criminals would require a one percent increase in the sales tax. Operating those prisons would require still another one percent sales tax increase. The statewide sales tax then would be at eight percent, and while the criminals would be locked up, the schools still would be overcrowded, teachers still would be underpaid, and the elderly still would be underserved.

69. Zingale & Davies, *supra* note 48, at 444.

a combination of these three tax bases,⁷⁰ but Florida is almost exclusively dependent on the sales—or consumption—base.⁷¹ Revenue from Florida's general sales tax accounts for 59.9 percent of the state's tax collections, compared with a United States average of just thirty-three percent.⁷² No other state relies more on the sales tax.⁷³

A primary reason that Florida's tax structure is heavily based on consumption can be found in the Florida Constitution. A personal income tax, which would bolster revenue from the income base, is prohibited.⁷⁴ Florida is one of just six states that does not levy a personal income tax.⁷⁵ A state property tax, which would increase revenue from the wealth income base, also is prohibited,⁷⁶ though the state may levy taxes on intangible personal property, such as stocks, bonds, and mortgages.⁷⁷ An inheritance tax, which also would add to the wealth base, is not permitted.⁷⁸ Florida does receive some revenue from the income base through the 5.5 percent corporate income tax, but the \$890,800,000⁷⁹ expected to be generated by the tax in 1990-91 is relatively little compared with corporate income taxes in other states.⁸⁰ Likewise, Florida receives some income through the wealth base from

70. *Id.* Zingale and Davies define income taxes as those typically levied on personal income in the form of wages, salaries, dividends, interest, rents, or transfer payments, or on corporate profits. Wealth taxes are defined as those levied on individual or corporate assets or on the transfer of those assets. Examples include taxes on real and tangible personal property, intangible personal property, and estate and inheritance taxes. Sales taxes are defined as those levied on the sale or use of goods and services. *Id.* at 445-6.

71. TAX STRUCTURE, *supra* note 48, at 9; Presentation, *supra* note 68.

72. TAX STRUCTURE, *supra* note 48, at 20.

73. *Id.* Florida's six percent sales tax rate is among the highest in the country. Connecticut has an eight percent sales tax, New Jersey and Rhode Island levy seven percent, Washington levies 6.5 percent, and Illinois and Texas levy 6.25 percent. Five other states join Florida in levying six percent. HOW DOES FLORIDA COMPARE?, *supra* note 48, at 6.

74. FLA. CONST. art. VII, § 5(b).

75. TAX STRUCTURE, *supra* note 48, at 10.

76. FLA. CONST. art. VII, § 1.

77. The intangibles tax was expected to produce \$484 million in 1990-91. STAFF OF FLA. S. FIN. & TAX COMM., FLORIDA TAX SOURCES: FISCAL IMPACT OF POTENTIAL CHANGES, 1990-1991, at 16 (1990) [hereinafter POTENTIAL CHANGES].

78. FLA. CONST. art. VII, § 5(a). To impose the tax, the Legislature would have to limit it to an amount equal to the federal credit for state taxes. The tax has not been imposed. An inheritance tax is defined as a tax on a beneficiary's privilege of receiving a distribution from a decedent's estate. POTENTIAL CHANGES, *supra* note 77, at 77.

79. POTENTIAL CHANGES, *supra* note 77, at 6.

80. The per capita cost of Florida's corporate income tax was \$50.42 in 1987-88, placing Florida 33rd among the states. The United States average per capita corporate income tax cost was \$88.44. TAX STRUCTURE, *supra* note 48, at 12. Florida's corporate income tax collections for 1990 were more than 40% below the national average. HOW DOES FLORIDA COMPARE?, *supra* note 48, at 11. A three-fifths vote of both houses of the Legislature is needed to increase the rate of the corporate income tax. Additionally, a \$5,000 exemption is mandated. FLA. CONST. art. VII, § 5(b).

the intangibles tax⁸¹ and the estate tax.⁸² However, these relatively minor income and wealth taxes do little to offset the heavy dependence on the sales tax. "We are basically dealing in a state that has a consumptive-based tax structure," Dr. Zingale told the Taxation and Budget Reform Commission.⁸³ "We have one leg of the three-legged stool."⁸⁴

B. The Impact of Economic Trends on Florida's Tax Base

In 1990-91, state sales tax collections are projected to provide seventy-two percent of the state's general revenue.⁸⁵ Florida's tax structure is maintained through the General Revenue Fund, the working capital fund, and a variety of trust funds—such as for transportation, revenue sharing, regulatory functions, and certain environmental programs.⁸⁶ The largest single fund is the General Revenue Fund, which supports a variety of state programs, including public school operation, criminal justice programs, some environmental and natural resource programs, and matching funds for federal programs.⁸⁷

Sales tax collections slow dramatically during recessions.⁸⁸ A primary reason is that during times of recession, people buy fewer durable goods such as automobiles, washing machines, and television sets.⁸⁹ People also defer purchases of nondurable goods, such as items bought at shopping malls,⁹⁰ and they delay or eliminate recreational expenditures, such as eating out or taking vacations.⁹¹ Business investment is also frequently reduced, and construction slows.⁹² Each of these activities has a major impact on sales tax collections, therefore

81. POTENTIAL CHANGES, *supra* note 77, at 16.

82. The estate tax is limited to an amount equal to the federal credit for state taxes by article VII, section 5(a) of the Florida Constitution. The tax is expected to generate \$236 million in 1990-91. Any increase in the tax base or rate would require a constitutional amendment. POTENTIAL CHANGES, *supra* note 77, at 12. Florida's estate tax collections are slightly above the national average, at \$14.31 per capita in 1987-88, compared with a United States average of \$13.22. The relatively high ranking may reflect large estates seeking shelter from states that collect both inheritance and estate taxes. TAX STRUCTURE, *supra* note 48, at 19.

83. Presentation, *supra* note 68.

84. *Id.*

85. Williams, *The Sales Tax Roller Coaster*, FLORIDA TREND, July 1990, at 15.

86. Zingale & Davies, *supra* note 48, at 450.

87. *Id.* at 450-1. For disposition of the 1990-91 general revenue fund, as well as state trust funds, see the Conference Committee Report on Fla. HB 3701, General Appropriations Act for Fiscal Year 1990-91, June 1, 1990 (on file with committee).

88. Zingale & Davies, *supra* note 48, at 452.

89. *Id.*

90. *Id.*

91. *Id.*

92. *Id.*

most aspects of state government would be adversely affected by an economic downturn.⁹³

A study by *Florida Trend Magazine*⁹⁴ found that the construction industry—including lumber, building, electrical, plumbing, heating, and air conditioning materials—was significantly affected by recessions in both 1974-75 and 1982-83.⁹⁵ Business investment and purchases of consumer durables also declined during at least one of these two recent recessions.⁹⁶ The sales tax is also subject to wild fluctuations—exhibiting almost no growth during the recession in the mid-1970's, but increasing 18.6 percent during the high inflationary period of the late 1970's.⁹⁷ Tax structures that rely heavily on the income tax base are generally less volatile, and parallel the growth of the state's economy,⁹⁸ although Florida's corporate income tax has been subject to considerable fluctuations.⁹⁹ Wealth tax bases also are less volatile than the narrow-based sales tax.¹⁰⁰

C. *The Sales Tax Does Not Keep Pace with Growth*

Total personal income has grown 657% in Florida since the 1970-71 fiscal year.¹⁰¹ During the same period, taxable sales have grown 544%.¹⁰² The Zwick Commission found that since 1980, taxes in Florida, as a percentage of state personal income, have gone down.¹⁰³ Noting that Florida's sales tax encompasses goods but not services, the Zwick Report criticized the loss of revenue which resulted from such a narrow tax base. The report stated that exempting services from the tax base ignored the fastest growing segment of the Florida economy. Specifically, the report stated:¹⁰⁴

[T]he growth of our revenue has not kept pace with the growth of our economy, and we have been unable to meet many of our accumulating needs for new facilities and new services. Therefore, while growth today continues to contribute to the rise of a vibrant

93. *Id.*

94. Williams, *supra* note 85.

95. *Id.* at 16.

96. *Id.*

97. Zingale & Davies, *supra* note 48, at 448.

98. *Id.* at 449.

99. See The Orlando Sentinel, March 4, 1990, at E12. (Unexpected shortfall in corporate income tax collections has confounded state economists); Presentation, *supra* note 68.

100. Zingale & Davies, *supra* note 48, at 449.

101. Williams, *supra* note 85, at 16.

102. *Id.*

103. See ZWICK COMMISSION REPORT, *supra* note 15, at 24.

104. *Id.* at 25.

economy, continued growth tomorrow threatens to consume the quality of life that attracts growth here in the first place.

Ours is only one of a handful of states in the nation that rely on a narrow-based sales tax, have no personal income tax, and exempt all inheritance and estate income from taxation above the federal tax credit. In reality, ours has become a tax-shelter, tax-haven state.¹⁰⁵

At his presentation to the Taxation and Budget Reform Commission, Dr. Zingale described Florida's tax structure as "inelastic" because it does not keep up with growth.¹⁰⁶ "Growth in the whole pie of durable goods and non-durable goods is shrinking and the services piece is expanding. It's simple math."¹⁰⁷

D. How the Legislature Has Coped

During the 1990 legislative session, the Legislature raised \$1.6 billion in taxes and fees,¹⁰⁸ largely to cope with a revenue shortfall. The original budget submitted to the Legislature by the governor was more than \$1 billion short of meeting the cost of continuing current programs.¹⁰⁹ To make up the difference and to start new programs,¹¹⁰ the Legislature raised a variety of taxes, including the cigarette tax,¹¹¹ the documentary stamp tax on notes, bonds, and stock certificates,¹¹² the intangibles tax,¹¹³ and imposed a number of new taxes. The new taxes included a \$295 impact fee on private automobiles brought into the state,¹¹⁴ and an alcoholic beverage surcharge for those consumed on-premises.¹¹⁵ Lawmakers acknowledged that they were scrambling to find enough taxes and fees to fund the \$27.4 billion 1990-91 budget.

105. *Id.*

106. Presentation, *supra* note 68.

107. *Id.*

108. Memorandum from Robert Bradley, Exec. Dir., Taxation and Budget Reform Commission, to Commission Members, June 26, 1990, at 2 (available at Fla. Dep't of State, Bureau of Archives & Records Management, Fla. State Archives, Tallahassee, Fla.)

109. The Miami Herald, March 1, 1990, at 16A.

110. For a list of the major new programs, see Tallahassee Democrat, June 3, 1990, at 1A, col. 1.

111. The tax increased by 9.9 cents a pack, to 33.9 cents per pack. Ch. 90-132, § 20 1990 West's Florida Session Laws 354 (to be codified at FLA. STAT. § 210.02).

112. The documentary stamp tax increased by 17 cents per \$100, to 32 cents per \$100. *Id.* § 9, 1990 West's Florida Session Laws 349 (codified at FLA. STAT. § 201.07).

113. The intangibles tax increased by one-half mill to one-and-one-half mills. *Id.* § 1, 1990 West's Florida Session Laws 346 (codified at FLA. STAT. § 199.032).

114. *Id.* § 74, 1990 West's Florida Session Laws 371 (codified at FLA. STAT. § 320.072(1)(b)).

115. *Id.* § 87, 1990 West's Florida Session Laws 377 (to be codified at FLA. STAT. § 561.501). See generally STAFF OF FLA. S. COMM. ON FIN., TAX. & CLAIMS, 1990 WRAP-UP: MAJOR LEGISLATION PASSED. The report includes detailed information on the taxes and fees noted in the text as well as information about other taxes and fees imposed in 1990.

"Why don't we just get out a dart board? That's about how scientific this is,"¹¹⁶ noted Senator Curt Kiser.¹¹⁷ At the session's end, then-Senate President Bob Crawford¹¹⁸ said the Legislature was at the "end of its rope" in trying to build a budget in a state where the tax base does not keep pace with growth.¹¹⁹

The hunt-and-peck method of taxation during the 1990 session was nothing new. Lawmakers scrambled for additional revenue through most of the 1970's and 1980's as they attempted to meet the state's growth-related needs.¹²⁰ Consider 1983, when the Legislature, desperate for money to finance education reforms, passed the unitary tax in a special legislative session.¹²¹ The unitary tax was a corporate tax on worldwide operations of multinational corporations, and was widely opposed by business interests.¹²² After tarnishing the state's pro-business image, within eighteen months the tax was repealed and replaced with an increase in the corporate income tax.¹²³ Discussing the Legislature's frantic annual search for tax revenue, the Zwick Commission Report noted:

The Florida legislature has increased cigarette, liquor, sales, and other major state taxes a total of 54 times in the past 15 years. But little effort has been made in those years truly to reform state taxation. Instead, we've suffered through round after round of midnight taxation in the waning days of legislative sessions—as with the late, unlamented unitary tax on worldwide corporate income. In all that time, we've never attempted anything approximating real tax reform in Florida.¹²⁴

While the unitary tax may have been perceived by business and lawmakers as a mistake, reaction to it was considered mild compared to the political firestorm that followed enactment of the sales tax on services.¹²⁵ National advertisers instituted a boycott of Florida and began running ads denouncing the tax.¹²⁶ A variety of professional and

116. Nickens, *Talk of Tallahassee*, The Miami Herald, June 3, 1990, at 2B, col. 1.

117. Repub., Palm Harbor.

118. Dem., Winter Haven.

119. Tallahassee Democrat, *supra* note 110. The text of Crawford's quote is: "But we're probably at the end of our rope in a state that has a tax base that doesn't keep pace with growth. We are going to have a day of reckoning, and we are at the morning of that day."

120. ZWICK COMMISSION REPORT, *supra* note 15, at 25.

121. St. Petersburg Times, December 9, 1984, at 1B, 14B, col. 1.

122. *Id.* at 14B.

123. *Id.*

124. ZWICK COMMISSION REPORT, *supra* note 15, at 25.

125. Weber, *supra* note 8, at 663.

126. *Id.*

trade associations vowed to stop holding conventions in Florida.¹²⁷ A petition drive was begun aimed at placing a referendum prohibiting a services tax on the November 1988 general election ballot.¹²⁸

Despite the intense hostility against the services tax, it was considered much more thoroughly than was the unitary tax,¹²⁹ and lawmakers who enacted the services tax were attempting to undertake major reform of Florida's tax structure.¹³⁰ The process began in 1986, when the Legislature enacted legislation to remove sales tax exemptions for personal and professional services. Under the enacted law, the sales tax exemptions would automatically expire in July, 1987.¹³¹ In recommending that the service tax exemption be revoked, the Zwick Commission noted that a tax exemption is essentially a tax expenditure, a form of spending by other taxpayers.¹³² The report suggested that an exemption should be tested by asking whether the exemption could be justified as an expenditure of taxpayers' money.¹³³

The Zwick Commission's primary motivation for recommending the services tax was that the tax would grow with the economy and become a more reliable source of revenue during times of recession.¹³⁴ "We need a stable source of revenue for state government in Florida that will keep pace with the demands of our growing state," the report stated.¹³⁵ Even as the Legislature voted to repeal the services tax in December of 1987 and replace it with a one percent increase in the sales tax, some lawmakers who championed the levy on services as the tax for Florida's future hinted that the hated tax would someday return.¹³⁶

127. *Id.*

128. *Id.*

129. Weber, *supra* note 8, at 622 (noting that the tax was studied for more than a year before it was enacted).

130. *Id.* at 614. As previously noted, lawmakers were familiar with the Zwick Commission Report which strongly recommended fundamental tax reform. The taxing of services was among the Zwick Commission's recommendations. ZWICK COMMISSION REPORT, *supra* note 15, at 3, 41.

131. Weber, *supra* note 8, at 616. By requiring that the exemptions automatically "sunset," lawmakers imposed on supporters of the exemptions the burden of convincing the Legislature to reinstate the exemptions during the 1987 legislative session. While some of the sunsetted exemptions were reinstated, the majority of them were allowed to expire.

132. ZWICK COMMISSION REPORT, *supra* note 15, at 41.

133. *Id.*

134. *Id.*

135. *Id.* at 42.

136. See quote from then-Rep. Winston "Bud" Gardner, Dem., Titusville, chair of the House Finance & Taxation Committee, found in Weber, *supra* note 8, at 665. Speaking on the House floor, Gardner said, "I think the special interests have carried this day. But ladies and gentlemen, there will be another day."

III. LOCAL GOVERNMENTS' PROBLEMS

The only tax the Florida constitution specifically authorizes local governments to levy is an ad valorem tax.¹³⁷ All other taxes are reserved to the state unless authorized by general law.¹³⁸ Even the ad valorem tax is strictly limited: it cannot be applied to mobile homes or other vehicles,¹³⁹ and counties, municipalities, and school boards are prohibited from levying more than ten mills for all purposes.¹⁴⁰ Additionally, the constitution provides for a homestead exemption of \$25,000.¹⁴¹ The constitution also provides that "[a]gricultural land, land producing high water recharge to Florida's aquifers or land used exclusively for non-commercial recreational purposes" may be classified by law and assessed solely on the basis of character or use.¹⁴² The latter constitutional provision has resulted in a statute requiring that agricultural land be assessed at its value in agricultural use rather than its fair market value.¹⁴³ That statute is expected to result in a 1990-91 estimated tax loss of \$461.9 million.¹⁴⁴

In 1989, ad valorem taxes were levied by all sixty-seven counties and by 352 municipalities.¹⁴⁵ Additionally, five water management districts, about 600 other special districts, and 167 Municipal Service Taxing Units have levied ad valorem taxes.¹⁴⁶ Fourteen counties were levying the maximum of ten mills in 1989, and six more counties had millage rates between nine and ten mills.¹⁴⁷ Those with the higher millage rates generally were small counties: of the thirty-one counties with fewer than 50,000 people, fourteen were levying ten mills.¹⁴⁸ Only nine counties had millage rates below five mills.¹⁴⁹ Twenty cities had

137. FLA. CONST. art. VII, §§ 1(a), 9(a). The ad valorem tax base is the fair market value of locally assessed real estate, tangible personal property, and state assessed railroad property. *POTENTIAL CHANGES*, *supra* note 77, at 49.

138. FLA. CONST. art. VII, § 1(a).

139. FLA. CONST. art. VII, § 1(b).

140. FLA. CONST. art. VII, § 9(b).

141. FLA. CONST. art. VII, § 6(c), (d).

142. FLA. CONST. art. VII, § 4(a).

143. FLA. STAT. § 193.461(6)(a) (1989).

144. *POTENTIAL CHANGES*, *supra* note 77, at 52. For discussions of the agricultural classification and property assessment, see Rader, *The Use Standard*, FLA. B.J., January, 1986, at 27; *The Orlando Sentinel*, Apr. 8, 1986, at 1A, col. 5.

145. Falconer, Presentation on Local Governments in Florida, prepared for the Florida Taxation and Budget Reform Commission, 16 (July 24, 1990), (available at Fla. Dep't of State, Bureau of Archives & Records Management, Fla. State Archives, Tallahassee, Fla.) The author, Mary Kay Falconer, is interim director of the Florida Advisory Committee on Intergovernmental Relations.

146. *Id.* The data for special districts and Municipal Service Taxing Units was for 1988.

147. *Id.*

148. *Id.*

149. *Id.*

operating millage rates of eight mills or higher.¹⁵⁰ While local governments receive revenue from other sources,¹⁵¹ ad valorem taxes are vital. A comparison of all local government revenues in 1987-88 showed that counties received 29.5% of revenues from ad valorem taxes, while municipalities received 17.3%.¹⁵²

A. *The Homestead Exemption Problem*

The \$25,000 homestead exemption, the result of constitutional amendments passed in 1980,¹⁵³ has prompted charges of inequity because many residents of rural counties pay no property taxes.¹⁵⁴ Proposed by the Legislature to help offset the rising taxes caused by higher assessments,¹⁵⁵ the \$25,000 exemption was just one of several property tax reforms enacted in 1979-80. The reforms were prompted by the governor's directive to the Department of Revenue that property be assessed for tax purposes at its fair market value.¹⁵⁶

The Legislature responded by enacting the "Truth in Millage" law,¹⁵⁷ popularly called TRIM, that imposed several limits on local governments' abilities to increase property taxes.¹⁵⁸ For example, local governments are required to provide taxpayers with detailed notices of both proposed millage increases and the public hearings at which the increases will be discussed,¹⁵⁹ to advertise proposed tax increases above the certified millage rate,¹⁶⁰ and to adopt their budgets and tax rates simultaneously.¹⁶¹ Additionally, counties, cities, and special tax-

150. *Id.*

151. For a discussion of most local government revenue sources, see ADVISORY COUNCIL ON INTERGOVERNMENTAL RELATIONS, LOCAL GOVERNMENT FINANCIAL INFORMATION HANDBOOK (July, 1990) [hereinafter HANDBOOK]. See also Falconer, *supra* note 145, at 15.

152. Falconer, *supra* note 145, at 15.

153. One amendment affecting school district levies was approved on March 11, 1980. FLA. CONST. art. VII, § 6(c). A second amendment affecting non-school district levies was approved on October 7, 1980. FLA. CONST. art. VII, § 6(d). For a discussion of the history of the homestead exemption and these amendments, see *Osterndorf v. Turner*, 426 So. 2d 539 (Fla. 1982) (holding unconstitutional legislation that prohibited residents who had lived in Florida for less than five years from receiving the enhanced \$25,000 exemption). See also Pajcic, Weber, & Francis, *Truth or Consequences: Florida Opt's for Truth in Millage in Response to the Proposition 13 Syndrome*, 8 FLA. ST. U.L. REV. 593 (1980) [hereinafter *Truth or Consequences*].

154. See St. Petersburg Times, Nov. 29, 1981, at 2D, col. 1; The Miami Herald, Oct. 16, 1983, at 1B, col. 1 (noting that many Florida taxpayers pay no property taxes at all because of the homestead exemption).

155. *Truth or Consequences*, *supra* note 153, at 617-618.

156. *Id.* at 593.

157. Ch. 80-274, 1980 Fla. Laws 1143, as amended by ch. 80-261, 1980 Fla. Laws 1077 (codified at FLA. STAT. chs. 129, 192-97, 199, 200, 205, 218, 228, 236, 237, 320, 371, and 373).

158. *Truth or Consequences*, *supra* note 153, at 611-17.

159. *Id.* at 611.

160. *Id.* at 612.

161. *Id.* at 613.

ing districts were required to limit their property tax increases to eight percent in 1980-81.¹⁶²

The concerns that full assessment would prompt widespread taxpayer revolt probably were warranted in the political context of the period,¹⁶³ but property has yet to be assessed at its fair market value in Florida,¹⁶⁴ and just a few years after the homestead exemption change, lawmakers were anxious to change it again.¹⁶⁵ The 1986 Legislature placed a constitutional amendment on the 1986 ballot that would have kept the exemption for the first \$5,000 in assessed value for a home, but would have taxed half of the next \$40,000 in value.¹⁶⁶ The change was expected to put an additional 300,000 Floridians on the tax rolls and result in an additional \$89 million in annual tax collections,¹⁶⁷ but the proposed amendment was soundly rejected by voters.¹⁶⁸ In 1990-91, the entire \$25,000 homestead exemption is expected to account for \$1.47 billion of unrealized tax revenue.¹⁶⁹

B. *Shrinking Revenues and Mandates*

Between 1980-81 and 1987-88, the percentage of revenues that local governments received from the federal government dropped significantly.¹⁷⁰ Counties received 17.4% of their funds from the federal government in 1980-81; by 1987-88, the figure was 4%.¹⁷¹ Cities' percentage dropped from 11.6% to 4.4%.¹⁷² Similarly, the percentage of

162. *Id.* at 614.

163. Interview with Glenn Robertson, Aug. 10, 1990. Now a private financial consultant, Robertson was deputy director of the governor's office of planning and budgeting in 1979 and 1980. He noted that full assessment was so "politically charged" that restrictions such as the TRIM bill and the increased homestead exemption were necessary. *See also* St. Petersburg Times, Dec. 6, 1981, at 1B, col. 1, (hundreds of angry taxpayers packed public hearings to protest property tax increases prompted by enforcement of the full assessment requirement, inflation, and reductions in federal assistance to local governments).

164. POTENTIAL CHANGES, *supra* note 77, at 56. The discussion notes that the legal valuation standard is considered to be a percentage of market value. The percentage varied from 48% to 92% in 1981; a uniform rate of 85% has since been adopted by the Department of Revenue. The authority cited for using a percentage of market value as the legal valuation standard are sections 193.011(1) and 193.011(8), Florida Statutes (1989).

165. Florida Times-Union, Feb. 6, 1984, at B1, col. 2.

166. St. Petersburg Times, Oct. 26, 1986, at 5B, col. 1.

167. *Id.* Local governments, of course, would not have been required to use all of the additional revenue. They could have elected to lower the millage rate, which would have resulted in a tax shift but not necessarily more tax revenue.

168. Pendleton, Florida Times-Union, Jan. 22, 1989, at F3, col. 5 (noting the proposed change was defeated by a margin of nearly 2-1).

169. POTENTIAL CHANGES, *supra* note 77, at 52.

170. Falconer, *supra* note 145, at 15.

171. *Id.*

172. *Id.*

the state budget shared with cities between 1973 and 1988 dropped from 4.8% to 3.2%.¹⁷³

Local officials also are dissatisfied with mandates imposed from state government that require major local government expense, but which come with no revenue from the state.¹⁷⁴ Perhaps the biggest mandate came with the growth management legislation adopted in 1985. That legislation not only requires local governments to plan for orderly growth, but also requires that adequate public facilities be in place before development is permitted.¹⁷⁵ Local governments are authorized to enact up to a one percent sales tax to pay for growth related needs,¹⁷⁶ but the levy is subject to voter approval.¹⁷⁷ Local government leaders have pleaded with the Legislature since the tax's authorization in 1987 to remove the referendum requirement, arguing that local governments need a swift, guaranteed source of additional revenue, but their pleas have been ignored.¹⁷⁸

IV. VOTER ATTITUDES TOWARD TAXES

The conventional wisdom in Florida is that voters are more intolerant of tax increases than residents of other states, and that only a foolish politician openly embraces taxes.¹⁷⁹ The conventional wisdom may not be wholly accurate, however. The 1989 Florida Annual Public Policy Survey¹⁸⁰ of 1,084 Floridians found that a majority of those questioned believed state spending should be increased for fighting

173. Billitteri, *Big City Mayors: Florida's Urban Leaders Have Had it Up to Here With Tallahassee's Mandates and Political Gamesmanship*, FLORIDA TREND, Nov. 1989, at 50. Note, however, that the 1990 Florida Legislature made changes in the way revenue is shared with local governments. For a discussion of those changes, see HANDBOOK, *supra* note 151, at Figure 1.2.

174. For a discussion of the mandates issue, see Comment, *Unfunded Mandates: A Continuing Source of Intergovernmental Discord*, 17 FLA. ST. U.L. REV. 591 (1990). A constitutional amendment restricting unfunded mandates was passed by the voters at the November 6, 1990, general election. See FLA. CONST. art. VII, § 18.

175. Ch. 85-55, § 14(g), 1985 Fla. Laws 230, as amended by Ch. 86-191, § 12(g), 1986 Fla. Laws 1427, (codified at FLA. STAT. § 163.3202(2)(g) (1989)).

176. FLA. STAT. §§ 212.054, .055(2) (1989).

177. *Id.* By January 1, 1990, voters in twenty-two counties had voted to impose the tax on themselves. POTENTIAL CHANGES, *supra* note 77, at 66.

178. Billitteri, *supra* note 173, at 48.

179. Montanaro, *Attitudes Toward Tax Increases Among Florida Residents*, at 1 (an unpublished paper distributed to members of the Taxation and Budget Reform Commission in the spring of 1990) (available at Fla. Dep't of State, Bureau of Archives & Records Management, Fla. State Archives, Tallahassee, Fla.). The author, Ed Montanaro, is director of the Economic and Demographic Research Division of the Legislature's Joint Legislative Management Committee.

180. Conducted by Florida State University's Policy Sciences Department, the study surveyed Floridians from all parts of the state. The study was analyzed in Montanaro's paper, *supra* note 179.

crime, public schools, the elderly, health care, environmental protection, prisons, low income families with children, and highways.¹⁸¹ Ninety-five percent of those questioned said at least one of the twelve programs they were asked about should receive more state money.¹⁸² Additionally, of those who responded to a question about how much more money they would be willing to pay for their priority state program, 32.1% said they would pay between \$100 and \$199, while 27.5% said they would pay more than \$200.¹⁸³ The study suggests that the tax issue may be of more concern to elected officials than to voters.¹⁸⁴

Similarly, a 1988 analysis of public opinion¹⁸⁵ following the sales tax increase asked 989 Floridians to rate the sales tax, the property tax, and the gasoline tax as "much too high," "somewhat too high," "about right," or "too low." Other possible responses were "don't pay" or "don't know."¹⁸⁶ A majority¹⁸⁷ described all three taxes as about right. When asked what type of tax increase they would prefer if state government had to raise taxes substantially, 38.7% said they would prefer an increase in the sales tax, 30.2% said they would like the sales tax extended to services, 13.8% opted for a state income tax, 8.7% said they did not know, 7.6% volunteered that no more taxes should be levied, and 1% suggested that programs be cut.¹⁸⁸

While neither of the surveys discussed above suggests that voters are vehemently opposed to taxes, Floridians have participated in tax revolts in the past. In 1983, supporters of a proposed constitutional amendment that would have rolled back state and local tax rates to 1980-81 levels won a place on the 1984 general election ballot by collecting the signatures of 313,095 registered voters.¹⁸⁹ The amendment also would have limited annual property tax increases to a maximum of five percent and limited the amount of any tax increases above the

181. Montanaro, *supra* note 179, at 2.

182. *Id.* at 4.

183. *Id.* at 7.

184. *Id.* at 6.

185. FLORIDA STATE UNIVERSITY DEPT. OF POLICY SCIENCE, FLORIDA PUBLIC OPINION 14 (1988) [hereinafter FLORIDA PUBLIC OPINION—1988].

186. *Id.*

187. 73.1% said the sales tax is "about right", 52% said the property tax is "about right", while 66.7% said the gasoline tax is "about right."

188. FLORIDA PUBLIC OPINION—1988, *supra* note 185, at 14. The questions about specific taxes were repeated in the 1990 Florida Annual Policy Survey, in which 955 Floridians were questioned. In 1990, 73% of those questioned described the sales tax rate as "about right," while 51% said property taxes were "about right," and 44% said gasoline taxes were "about right." See generally FLORIDA STATE UNIVERSITY DEPT. OF POLICY SCIENCE, FLORIDA PUBLIC OPINION 30 (1990) [hereinafter FLORIDA PUBLIC OPINION—1990].

189. The Miami Herald, March 17, 1983, at 1A, col. 1.

1980-81 base level to no more than two-thirds of the annual rate of inflation.¹⁹⁰ The amendment, popularly known as both "Citizens' Choice" and "Amendment One," was removed from the ballot by the Florida Supreme Court¹⁹¹ because it embraced more than one subject in violation of article XI, section three of the Florida Constitution. Local tax revolts occur periodically as local governments increase property taxes.¹⁹² In 1989, many Floridians faced the largest property tax increases in a decade as local governments struggled to raise revenue to pay for growth-related needs.¹⁹³

Recent news from other states suggests that voters are willing to increase state taxes for public facilities, prompting some observers to say that the tax revolt begun in California in the late 1970's is over.¹⁹⁴ In 1990, Californians voted to increase their gasoline tax to pay for expansion of crowded roads.¹⁹⁵ Thirty states increased tax revenues by \$3.5 billion in 1989, and total state tax increases in 1990 were expected to be as high as \$10 billion.¹⁹⁶

Whether Floridians will be impressed with other states' tax increases is questionable. Broward County voters in March of 1990 soundly rejected a proposed one percent sales tax increase to pay for improvements to roads, storm drainage systems, jails, parks, libraries, social service centers, drug abuse treatment centers, and fresh water well-fields.¹⁹⁷ One seventy-four-year-old resident explained her vote against the tax this way: "We (senior citizens) might not be alive to see any of it, so why should we pay?"¹⁹⁸

V. ALTERNATIVE TAX SOURCES FOR FLORIDA

Most major changes to Florida's tax structure will require constitutional amendments.¹⁹⁹ Several significant adjustments could be made, however, without amending the constitution. This section will address those changes—both statutory and constitutional—that have the potential of bringing about fundamental tax reform in Florida. Consideration of all of the existing taxes and fees that could be adjusted to

190. *Id.* at 16A.

191. *Fine v. Firestone*, 448 So. 2d 984 (Fla. 1984).

192. *See St. Petersburg Times*, *supra* note 163.

193. *The Orlando Sentinel*, Sept. 3, 1989, at A8, col. 1.

194. Thomas, *Saying Yes to Taxes*, *NEWSWEEK*, June 18, 1990, at 14 (quoting Arthur Lafer).

195. *Id.*

196. *Id.* at 15.

197. *Talk & Predictions*, *FLORIDA TREND*, May, 1990, at 28.

198. *Id.* (quoting the Fort Lauderdale Sun-Sentinel).

199. *See supra* note 74.

generate additional revenue is beyond the scope of this Comment, although every revenue source should be considered by the Taxation and Budget Reform Commission. Similarly, no effort will be made here to examine the host of smaller, new taxes that have been suggested in various forums.²⁰⁰

As a preface to the discussion of various tax sources, it should be noted that the Commission has an obligation to thoroughly examine the state's budgetary methods and processes. Only by understanding how and why the state spends money as it does can the Commission determine how much more revenue is needed. Additionally, a review of the budget process can give commissioners insights into how government can be made more accountable for the money it spends. Ultimately, the public must be convinced of the need for any new taxes the Commission proposes. If the Commission's proposals include guarantees that the public will see tangible benefits from the additional revenue, new taxes will be much easier to accept.

A. *Expanding the Sales Tax*

In considering any expansion of the sales tax base, the Taxation and Budget Reform Commission should recommend that the Legislature retain exemptions for necessities of life that keep Florida's sales tax from being extremely regressive.²⁰¹ States with the most regressive sales taxes are those that tax food and other necessities.²⁰² Florida currently exempts not only groceries²⁰³ and medicines²⁰⁴ from the sales tax, but also hospital rooms and meals,²⁰⁵ household utilities,²⁰⁶ rentals,²⁰⁷ and water.²⁰⁸ While these exemptions will cost the state \$2.4 billion in 1990-91,²⁰⁹ the decreased regressivity these exemptions provide may justify the loss of revenue.

The Commission should thoroughly explore the possibility of once again extending the sales tax to services. While a return to the services

200. See POTENTIAL CHANGES, *supra* note 77, at 84-5 for a discussion of the revenues that could be raised by several new taxes, including levies on bingo, soft drinks, cable television, and entertainment.

201. See CITIZENS FOR TAX JUSTICE & INSTITUTE ON TAXATION AND ECONOMIC POLICY, NICKELS & DIMS: HOW SALES & EXCISE TAXES ADD UP IN THE FIFTY STATES 14 (1988) (showing that Florida ranks among the middle group of states in regressivity).

202. *Id.*

203. FLA. STAT. § 212.08(1) (1989).

204. *Id.* § 212.08(2)(a).

205. *Id.* § 212.08(7)(i).

206. *Id.* § 212.08(7)(j).

207. *Id.* §§ 212.02(2), .03(7)(d), .03(7)(a), .03(4).

208. *Id.* § 212.08(4)(a)1.

209. POTENTIAL CHANGES, *supra* note 77, at 34.

tax undoubtedly would be politically difficult considering the recent turmoil associated with the 1987 levy,²¹⁰ the tax is worthy of consideration given Florida's limited options and Floridians' general acceptance of the sales tax.²¹¹ The Commission should also thoroughly consider potential problems that may be caused by taxing certain services, keeping in mind that the goal is to broaden the tax base in a manner that members of the Florida Legislature—and their constituents—will accept. Even without a blanket approach to the taxation of services, considerable revenue could be raised. State economists estimate that extending the sales tax to all service transactions would raise \$6.2 billion in 1990-91.²¹²

B. *A Business Receipts Tax*

Another statutory option worthy of the Commission's consideration is a business receipts tax. Proposed by the Zwick Commission,²¹³ the levy could be enacted as an excise tax on the privilege of doing business in Florida. The tax would operate much as the current gross receipts tax on utilities does.²¹⁴ The gross receipts tax on utilities was increased by the 1990 Legislature from 1.5% to 2% from July 1, 1990, through June 30, 1991, and then to 2.25% through June 30, 1992, and finally to 2.5% beginning July 1, 1992, and thereafter.²¹⁵ The revenue raised from this tax is earmarked for the Public Education Capital Outlay and Debt Service Trust Fund.²¹⁶ A broad based business receipts tax could be applied not only to businesses making sales of final goods or services, but also to businesses selling intermediate products.²¹⁷ Such a tax, levied at one percent statewide, would raise an estimated \$6.1 billion in 1990-91.²¹⁸ Like the services tax, the business receipts tax undoubtedly would be controversial, and legitimate reasons likely exist for exceptions to an across-the-board levy. Nonetheless, the Commission should explore the possibilities of such a tax and evaluate its strengths and weaknesses.

210. See *supra* note 8.

211. FLORIDA PUBLIC OPINION—1988, *supra* note 185, at 14 (noting that the sales tax remains the most popular of all taxes among Floridians). The sales tax continues to be a popular tax alternative. FLORIDA PUBLIC OPINION—1990, *supra* note 188.

212. POTENTIAL CHANGES, *supra* note 77, at 39.

213. ZWICK COMMISSION REPORT, *supra* note 15, at 42.

214. Ch. 90-132, § 14, 1990 Fla. Laws 351 (codified at FLA. STAT. § 203.01).

215. *Id.*

216. FLA. CONST. art. XII, § 9(a).

217. POTENTIAL CHANGES, *supra* note 77, at 13.

218. *Id.*

C. A Personal Income Tax

Proposing a personal income tax is considered to be a political "bombshell,"²¹⁹ and while the tax is considered by some to be inevitable,²²⁰ few expect to see it adopted within the next decade.²²¹ Because a constitutional amendment would be required to allow the tax, the conventional wisdom is that voters would not be willing to impose such a tax upon themselves. Generally considered to be progressive,²²² the income tax in Florida is nonetheless frequently referred to as "the dreaded I word."²²³ The constitutional prohibition against the tax dates to 1924, when Floridians wanted to convince wealthy investors to move to the state.²²⁴ The Florida of 1924, however, was nothing like the Florida of today. Some state leaders say the time has come to stop selling the state as a cheap paradise.²²⁵

Most states imposing broad-based personal income taxes use the Federal Internal Revenue Code as a basis for determining taxable income,²²⁶ permitting personal exemptions and deductions similar to those provided in the federal code.²²⁷ An income tax can be structured with either a flat rate or an incremental rate.²²⁸ Some states use limited income bases, taxing only capital gains, or only interest and dividend income.²²⁹ An income tax in Florida could be structured in a number of ways. State economists estimate that a one percent levy against federal adjusted gross income would produce \$1.7 billion in 1990-91, while a one percent levy against federal tax liability would produce \$292 million.²³⁰ Should the Taxation and Budget Reform Commission seriously consider proposing a constitutional amendment permitting

219. ROBERTSON, *supra* note 62, at 2.

220. Interview with Dominic Calabro, President of Florida TaxWatch, *supra* note 42.

221. *Id.*

222. POTENTIAL CHANGES, *supra* note 77, at 81.

223. Fiedler, *Is It Time for (Shudder) State Income Tax?*, The Miami Herald, Apr. 19, 1987, at 5C, col. 1.

224. *Id.* A front page editorial in The Miami Herald of Nov. 3, 1924, stated:

If you wish to extend a cordial invitation to investors to come to Florida and make this state their permanent home, vote "YES" on the proposition to prevent the Legislature from ever imposing taxes on inheritances and incomes.

A vote in favor of the amendment will insure that your own income will not be taxed in this state and that a very large number of wealthy people will be induced to come to Florida where they will become heavy investors and large taxpayers, thus lightening your own tax burdens and, what is more, contribute to the more rapid development of the whole state.

225. Billitteri, *A Fresh Blueprint for a Better Economy*, FLORIDA TREND, July 1989, at 69.

226. POTENTIAL CHANGES, *supra* note 77, at 80.

227. *Id.*

228. *Id.*

229. *Id.*

230. *Id.*

an income tax, its proposal should be specific enough so that voters understand how they would be impacted. The Commission also should consider recommending concurrent reductions in other taxes so that the income tax is perceived as a tax restructuring, rather than a tax increase.

An income tax should not be considered as "untouchable" by the Commission. Despite the political problems inherent in its adoption, the tax should be proposed if commissioners believe it is the best way to meet the state's revenue needs. Indeed, if commissioners become convinced of the need for a personal income tax, they have an obligation to help convince voters of this need through a major public information campaign.

D. Property Tax Changes

Property taxes have been considered the most unpopular of Florida's major taxes.²³¹ Despite their unpopularity, property taxes have some attractive qualities. They are generally considered progressive,²³² and they are presently deductible for federal income tax purposes.²³³ Thirteen states levy ad valorem taxes against real estate and tangible personal property that also are taxed by local governments in those states.²³⁴ In considering the possibility of amending the constitution to permit imposition of a state property tax, the Taxation and Budget Reform Commission should keep voter opinions about ad valorem taxes in mind.

In proposing a tax reform package, a proposal that includes a reduction in local property taxes (coupled with some other means for local governments to raise revenue) may be a wise consideration. Voters may be willing to accept some other broad based tax sources in exchange for a reduction in their property taxes. Absent another broad based tax source for local governments, however, commissioners should consider proposing the elimination of the ten mill cap on ad valorem taxes. Commissioners also may want to consider asking the Legislature to revise the TRIM requirements that have contributed to voters' dislike of property taxes. While voters should be told about local governments' tax increases through the TRIM notice require-

231. FLORIDA PUBLIC OPINION—1988, *supra* note 185, at 1. Consider, however, that in 1990 the gasoline tax was judged to be the most unpopular tax. Despite the 1990 data, during most of the 1980's the property tax was considered less popular than any other major tax. See FLORIDA PUBLIC OPINION—1990, *supra* note 188, at 31-32.

232. POTENTIAL CHANGES, *supra* note 77, at 83.

233. *Id.*

234. *Id.* at 82.

ments, voters also need to be told about the severe revenue needs facing local governments.

Political considerations will make changing the \$25,000 homestead exemption difficult. Voters in 1986 strongly indicated their unwillingness to give up any part of the exemption, despite widespread publicity about the number of rural residents who pay no property taxes whatsoever. Should the Commission decide to propose changes to the homestead exemption, however, a variety of options have been discussed.²³⁵ These include an assessment based homestead exemption that ties the maximum amount of the exemption to the average cost or value of housing in the county.²³⁶ Such a formula would reduce the exempt amount in rural or slow growing counties where property values are low and increase the exempt amount in large, fast growing counties. Another option is a homestead exemption indexed to a measure of inflation or growth in property values.²³⁷ An indexed exemption would prevent the erosion of the relative value of the exemption. One option that would make the property tax more progressive involves phasing out the homestead exemption for properties with high values.²³⁸ The more commonly discussed homestead exemption proposal, which involves taxing the first increment of value (such as the first \$5,000, \$10,000 or \$15,000) and then applying the exemption, would make the property tax more regressive.²³⁹

The Commission should review the ad valorem tax differential for agricultural land.²⁴⁰ In 1990, agricultural assessments were estimated to average twenty-seven percent of the market value of the land.²⁴¹ Agricultural land is assessed at its value in agricultural use rather than fair market value, and some say the agricultural classification is widely abused.²⁴² While legitimate agriculture arguably should benefit from a special classification, landowners who are preparing and marketing the property for development should not. Among those who have been criticized for benefitting from agricultural assessments are developers who build in phases, keeping part of their land in orange groves at the lower assessment, while building houses on an adjacent part.²⁴³ In Central Florida in the early 1980's, one developer kept the

235. See *POTENTIAL CHANGES*, *supra* note 77, at 55 (discussion of six alternative homestead exemption formulas).

236. *Id.*

237. *Id.*

238. *Id.*

239. *Id.*

240. See *supra* note 143.

241. *POTENTIAL CHANGES*, *supra* note 77, at 56.

242. See *The Orlando Sentinel*, *supra* note 144, at A9.

243. *Id.*

agriculture classification on half his property by grazing cattle, despite his announced intentions to develop a theme park.²⁴⁴ Phosphate companies routinely run cattle on property they do not intend to mine for years in order to qualify for the agricultural assessment.²⁴⁵ Florida courts have held that property being used for agriculture is entitled to the classification, regardless of the landowners' ultimate intentions for the property.²⁴⁶ The Taxation and Budget Reform Commission should explore a constitutional means of preserving the classification for legitimate agriculture and prohibiting use of it by speculators.²⁴⁷

VI. PRESENTING A PROPOSAL TO THE PUBLIC

As soon as the Commission votes to place proposals on the 1992 general election ballot, a public information campaign must be started to explain the proposals to voters and, more importantly, to explain why they are important for the future of the state. The chair of the campaign should be a prominent and well-liked public figure who is willing to talk straight with voters about taxes. The chair should enlist business and political leaders, popular sports figures, and community activists from all over the state in the effort to convince voters of the need for the proposals. A political action committee should be established and campaign contributions should be solicited from individuals and corporations. The campaign should be run by professionals, and enough money should be raised to conduct an effective media campaign.

Statewide campaigns on issues are not new to Florida voters. In 1988, for example, doctors and lawyers raised a combined total of nearly \$15 million for their media battle over constitutional Amendment 10, which would have placed a \$100,000 cap on the amount victims of accidents and neglect could collect in non-economic damages.²⁴⁸ Supported primarily by the Florida Medical Association and strongly opposed by the Academy of Florida Trial Lawyers, Amendment 10 was at that time the second most expensive political battle in Florida's history, after the 1986 governor's race.²⁴⁹ The amendment was soundly defeated.²⁵⁰

244. *Id.*

245. *Id.*

246. *See, e.g.,* Bass v. General Development Corp., 374 So. 2d 479 (Fla. 1979); Hausman v. Rudkin, 268 So. 2d 407 (Fla. 4th DCA 1972).

247. For a discussion of some of the possible options, see *POTENTIAL CHANGES*, *supra* note 77, at 56-7.

248. *See generally* The Miami Herald, Nov. 4, 1988, at 1A; The Miami Herald, Nov. 9, 1988, at 1A.

249. The Miami Herald, November 9, 1988, at 18A.

250. *Id.* at 1A.

As a starting point in preparing a campaign, supporters of tax reform should consider the campaign organization established in 1983 and 1984 by then Florida Governor Bob Graham to fight the revenue-slashing Citizens' Choice Amendment.²⁵¹ Dubbed Florida's Future, the campaign sought to convince voters that rolling back tax rates would be devastating to the state. Opponents of the amendment planned to raise \$2 million, and Graham was prepared to lead the charge to defeat the proposal, but the campaign was halted after the Supreme Court removed the proposed amendment from the ballot.²⁵² The Florida's Future campaign had eleven paid staffers, a prominent pollster, a media adviser, and a political consultant on the payroll before the court rendered the campaign moot.²⁵³ Just as Florida's Future was prepared to convince voters to reject a tax rollback, a new campaign could convince voters why tax reform is necessary. Considering the state's likely future without tax reform—clogged roads, overcrowded schools, inadequate prison space, polluted waterways, inadequate elderly services, and minimal indigent health care—business leaders, school teachers, health officials, law enforcement officers, developers, and environmentalists could be convinced to take an active role in the campaign.

VII. CONCLUSION

The Taxation and Budget Reform Commission is a powerful body with authority to recommend fundamental changes in Florida's taxation policies. The Commission should assess the weaknesses of a tax base that does not keep pace with growth, and should thoroughly explore even those taxing options that may seem politically impossible. Given the inadequacy of Florida's tax base, the Commission should avoid recommending a hodgepodge of minor tax increases that will do nothing more than provide a short-term solution. While small reforms and minor tax increases may be a necessary and welcome part of an overall package, the Commission should embrace at least one proposal which constitutes a fundamental reform of Florida's tax base. Whether that proposal be a personal income tax, a sales tax on services, a business receipts tax, or some other alternative, the Commission should ensure that it will provide a revenue base to meet Florida's needs into the next century.

251. See generally *The Orlando Sentinel*, Apr. 2, 1984, at B5, col. 1 (discussing Graham's role in establishing and leading the campaign to defeat the Citizens Choice amendment).

252. See *supra* note 189; see also *Fine v. Firestone*, 448 So. 2d 984 (Fla. 1984).

253. *The Orlando Sentinel*, July 3, 1984, at B3, col. 2.

Before recommending a tax package to voters, the Commission should also evaluate the state's budgeting process and determine how government can more clearly explain its spending priorities to taxpayers. Only when voters understand the need for more revenue and can see how it will be spent will they be willing to support major tax reform. Finally, as soon as the Commission makes its recommendations, supporters of tax reform should plan a major public information campaign to explain the proposals to voters. The campaign should be designed to attract financial and other support from a cross-section of the Florida population. Directed like any other major political campaign in Florida, the public information effort should convince voters that tax reform is vital for Florida's future.

